

Honolulu, Hawaii

**MAR 24 2022**

RE: H.B. No. 1829  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committees on Housing and Government Operations, to which was referred H.B. No. 1829, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Specify that the entire allocation of the state bond ceiling shall be allocated to the Hawaii Housing Finance and Development Corporation to be used for housing-related projects;
- (2) Require the Hawaii Housing Finance and Development Corporation, in consultation with the respective counties, to allocate specified percentage amounts for housing-related projects in each county;
- (3) Authorize the Hawaii Housing Finance and Development Corporation to accumulate each county's annual allocation before assigning the allocation for housing-related projects, pursuant to the discretion of the Hawaii Housing Finance and Development Corporation Board of Directors;



- (4) Authorize the Hawaii Housing Finance and Development Corporation, with the approval of the Governor, to assign and reassign the Corporation's allocation to the counties;
- (5) Remove the authorization for the Department of Budget and Finance to request return of all or any part of the allocations of any of the counties and to assign and reassign the allocation to other counties or issuers;
- (6) Remove the authorization for counties or issuers to request additional allocations of the state bond ceiling; and
- (7) Change the deadlines for reporting on unused or unassigned allocations and reversion of certain allocations to the State.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Catholic Charities Hawai'i; and Stanford Carr Development, LLC. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance, Department of Planning and Permitting of the City and County of Honolulu, Kaua'i County Housing Agency, one member of the Maui County Council, and two individuals. Your Committees received comments on this measure from the Department of the Attorney General and Ahe Group.

Your Committees find that the Internal Revenue Code of 1986, as amended, provides a formula for the allocation of the State's tax-exempt private activity bond annual ceiling among governmental units that are authorized to issue private activity bonds. However, the State may establish its own formula for allocating the state bond ceiling. This measure specifies that one hundred percent of the State's bond ceiling must be allocated to the Hawaii Housing Finance and Development Corporation for housing-related projects in each county.

Your Committees have amended this measure by:

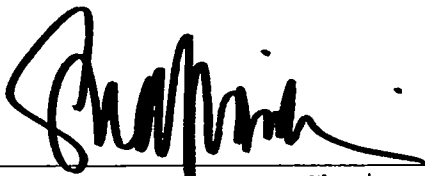
- (1) Inserting additional findings in section 1;
- (2) Removing sections 2 and 3;



- (3) Inserting language requiring each county or other issuer of private activity bonds to submit quarterly reports to the Department of Budget and Finance on the status or use of its portion of the allocation of the annual state ceiling;
- (4) Specifying that no special purpose revenue bonds requiring allocation of the annual ceiling, unless requested and approved by the Governor and Legislature, shall be authorized between June 30, 2022, and December 31, 2028;
- (5) Specifying further that the allocation of the annual ceiling to a county with a population of five hundred thousand or more between June 30, 2022, and December 31, 2028, shall be used only for rental housing projects eligible for low-income housing tax credits pursuant to section 235-110.8, Hawaii Revised Statutes;
- (6) Removing the repeal date; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1829, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1829, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Housing and  
Government Operations,



SHARON MORIWAKI, Chair



STANLEY CHANG, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1829, HD2	HOU/GVO, WAM	3/17/22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

Bill / Resolution No.:* <b>HB 1829 HD2</b>	Committee Referral: <b>HOU/GVO, WAM</b>	Date: <b>03/17/22</b>
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The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312       Pass, with amendments 2311       Hold 2310       Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	X			
DELA CRUZ, Donovan M. (VC)				X
CHANG, Stanley	X			
GABBARD, Mike				X
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>3</b>			<b>2</b>

Recommendation:       Adopted       Not Adopted

Chair's or Designee's Signature:

**Distribution:**      Original      Yellow      Pink      Goldenrod  
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